

# TOWNSHIP BULLETIN

## AND UNIFORM COMPLIANCE GUIDELINES ISSUED BY STATE BOARD OF ACCOUNTS

Vol. No. 282, Page 1

August 2008

### ITEMS TO REMEMBER

#### SEPTEMBER

- September 1: Legal Holiday - Labor Day (IC 1-1-9-1)
- September 10: Last day for the first publication of township budgets (10 days prior to the public hearing). IC 6-1.1-17-3.
- September 17: Last date for second publication of township budgets (3 days before the public hearing). (IC 5-3-1-2)
- September 19: Last date to file appeals for an excessive tax levy. (IC 6-1.1-18.5-12) (See I C 6-1.1-18.5-16 concerning shortfall appeals.)
- September 20: Last date for public hearing on proposed budget (at least 10 days prior to the adoption of the budget). Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. (IC 6-1.1-17-5)
- September 22: Meeting of County Board of Tax Adjustment. (IC 6-1.1-29-4) Each County Board of Tax Adjustment, if applicable, shall hold its first meeting of each year on September 22nd or on the first business day after September 22nd if September 22nd is not a business day. See Public Law 224, 2007 concerning County Board of Tax and Capital Projects Review Boards; (Now Distressed Unit Appeal Board).
- September 30: Last date for meeting of township boards to make appropriations for 2008 and to fix tax levies. (IC 6-1.1-17-5)
- NOTE: Contact the Department of Local Government Finance concerning the possibility of alternate dates.
- NOTE: The Township Board should set the salaries of township officials and employees in conjunction with the preparation and completion of the township budget using Township Form 17.
- September: All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. (IC 5-13-6-1)
- NOTE: Please contact the Indiana Department of Revenue for State withholding requirements.

#### OCTOBER

- October 1: On or before this date all duties of the County Board of Tax Adjustment must be completed, except for a consolidated city and county, and in a county containing a second class city. (IC 6-1.1-17-9). See Public Law 224, 2007 concerning County Board of Tax and Capital Projects Review Boards; (Now Distressed Unit Appeal Board).

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**ITEMS TO REMEMBER**

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- October 13: Legal Holiday - Columbus Day (IC 1-1-9-1)
- October 15: Last day to make pension report and payment for third quarter by townships participating in PERF.
- October 31: Last day to file quarterly report for third quarter to Internal Revenue Service.
- October: All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. (IC 5-13-6-1)
- NOTE: Please contact the Indiana Department of Revenue for State withholding requirements.

**NOVEMBER**

- November 4: Legal Holiday – Election Day (IC 1-1-9-1)
- November 11: Legal Holiday – Veterans' Day (IC 1-1-9-1)
- November 27: Legal Holiday - Thanksgiving Day (IC 1-1-9-1)
- November 30: On or before June 1 and December 1 of each year (or more frequently if the County Legislative Body adopts an ordinance requiring additional certifications) the Trustee shall certify a list of the names and addresses of each person who has money due from the township to the County Treasurer. (IC 6-1.1-22-14)
- November: All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. (IC 5-13-6-1)
- NOTE: Please contact the Indiana Department of Revenue for State withholding requirements.

**TRANSFERS OF MONEY FROM ONE ACCOUNT TO ANOTHER**

IC 6-1.1-18-6 states in part:

"(a) The proper officers of a political subdivision may transfer money from one major budget classification to another within a department or office if:

- (1) they determine that the transfer is necessary;
- (2) the transfer does not require the expenditure of more money than the total amount set out in the budget as finally determined under this article; and
- (3) the transfer is made at a regular public meeting and by proper . . . resolution.

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**TRANSFERS OF MONEY FROM ONE ACCOUNT TO ANOTHER**

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(b) A transfer may be made under this section without notice and without the approval of the department of local government finance."

The Indiana Attorney General on June 28, 1976, issued Official Opinion 11 addressed to the State Superintendent of Public Instruction. The opinion was issued in response to the question as to whether a public school corporation is authorized to transfer money from one account of the general fund to another account within the general fund without additional prior notice to the public and without prior approval of the State Board of Tax Commissioners.

The conclusion in the opinion states "that by enacting Indiana Code, Section 6-1.1-18-6, the General Assembly intended to authorize a public school corporation, on the same basis as other political subdivisions of governments, to transfer money from on major budget classification of its general fund to another classification within that same fund without additional public notice and prior approval of the State Board of Tax Commissioners; but such a transfer could only be made by ordinance adopted at a public meeting of the school board, and the ordinance could not authorize expenditure of money in excess of the total appropriation for the school corporation. This opinion, however, relates only to the intended applicability of Code Section 6-1.1-18-6. Doubts remain as to the constitutionality of the provisions of that section which permit transfer of funds without notice." The State Board of Accounts is of the audit position the some provisions would apply to other budgeted funds.

**APPROPRIATIONS – INSURANCE CLAIM PROCEEDS**

IC 6-1.1-18-7 states "Notwithstanding the other provisions of this chapter, the fiscal officer of a political subdivision may appropriate funds received from an insurance company if:

- (1) the funds are received as a result of damage to property of the political subdivision; and
- (2) the funds are appropriated for the purpose of repairing or replacing the damaged property.

However, this section applies only if the funds are in fact expended to repair or replace the property within the twelve (12) month period after they are received."

**APPROPRIATION REFUNDS**

IC 6-1.1-18-9 states "Notwithstanding the other provisions of this chapter, the proper officer of officers of a political subdivision may:

- (1) reappropriate money recovered from erroneous or excessive disbursements if the error and recovery are made within the current budget year; or
- (2) refund, without appropriation, money erroneously received."

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**LEAVE OF ABSENCE – OFFICERS AND EMPLOYEES WHO ARE MEMBERS  
OF THE INDIANA NATIONAL GUARD OR RESERVES**

IC 10-16-7-5 states "(a) This section applies to all offices and employees of the state or any county, township, municipality, or school corporation in Indiana who are members.

(b) A member is entitled to receive from the member's employer a leave of absence from the member's respective duties in addition to regular vacation period without loss of time or pay for the time that the member is:

- (1) on training duties of the state under the order of the governor as commander in chief; or
- (2) a member of any reserve component under the order of the reserve component authority; for any consecutive or nonconsecutive period that does not exceed a total of fifteen (15) days in any calendar year. The entitlement to a leave of absence without loss of time or pay provided in this subsection is not at the discretion of the member's employer.

(c) A member is entitled to receive from the member's employer a leave of absence from the member's respective duties in addition to the member's regular vacation period for the total number of days that the member is on state active duty under section 7 of this chapter. A leave of absence provided under this subsection may be with or without loss of time or pay at the discretion of the member's employer."

IC 10-16-7-6 states in part " A member of the Indiana national guard is entitled to receive from the member's employer a leave of absence from the member's respective duties in addition to the member's regular vacation period for the total number of days that the members is on state active duty under section 7 of this chapter. The leave of absence may be with or without loss of time or pay at the discretion of the member's employer.

Unofficial Opinions of Attorney General of the State of Indiana, court decisions and statutory provisions provide us with the following audit position:

- (1) Officers or employees of a township are entitled to a leave of absence for military service with consideration of compensation in accordance with the aforementioned.
- (2) Any compensation shall be in addition to the military pay received by a township officer or employee if authorized as stated above.
- (3) Any compensation would be for regular days of township employment missed.
- (4) The officer or employee is required to furnish the township with proper certification orders to support the claims for compensation while absent on military duty.

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**STATE BOARD OF ACCOUNTS CALLED MEETING**

Once again the State Board of Accounts anticipates (in accordance with IC 5-11-14-1) calling a meeting of all Township Trustees in conjunction with the Township Convention November 16 through November 20, 2008, in Indianapolis. Many items pertaining to our audits of townships will be discussed at our meeting on Wednesday, November 19, 2008. Please make plans to attend the meeting and the Township Convention.

**Please note Wednesday November 19, 2008.** The Indiana Township Association has requested we conduct the State Board of Accounts meeting on Wednesday, November 19, 2008.

**Also, please note the location.** The Indiana Township Association will again provide for arrangements of the meeting location at the Hyatt Hotel, downtown.

We have allowed individuals to pick up Annual Report packages for other townships at prior meetings. The packet also includes the revised pages for the Accounting and Uniform Compliance Guidelines Manual for Townships and the November 2008 Township Bulletin and Uniform Compliance Guidelines. However, several situations have arisen resulting in the townships for whom the packages were picked up not receiving the information. Therefore, a letter such as the following will be required for anyone to pick up your packet at the November 2008 meeting. All other packages will be mailed to the address we currently have on file for each township by the middle of December. The packet also includes a large envelope with the U.S. Bureau of the Census return address. **(Please do not throw away)**. Please mail the completed Annual Report in the envelope provided to the U.S. Bureau of the Census.

To: State Board of Accounts

From: \_\_\_\_\_ Township,  
\_\_\_\_\_ County

Re: 2008 Annual Report Package

Date: \_\_\_\_\_, 2008

Dear Sirs:

\_\_\_\_\_ has my permission to pick up the 2008 Annual Report package for me at the annual meeting for Township Trustees.

\_\_\_\_\_  
Township Trustee

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**DORMANT FUND BALANCES – TRANSFERS AUTHORIZED**

IC 36-1-8-5 concerning transfers of unused and unencumbered funds states in part:

(a) This section applies to all funds raised by a general or special tax levy on all the taxable property of a political subdivision.

(b) Whenever the purposes of a tax levy have been fulfilled and an unused and unencumbered balance remains in the fund, the fiscal body of the political subdivision shall order the balance of that fund to be transferred as follows, unless a statute provides that it be transferred otherwise: . . .

(3) Funds of a township for redemption of township assistance obligations, to the township assistance fund of the township or rainy day fund of the township, as provided in section 5.1 of this chapter.

(4) Funds of any other political subdivision, to the general fund or rainy day fund of the political subdivision, as provided in section 5.1 of this chapter. However, if the political subdivision is dissolved or does not have a general fund or rainy day fund, then to the general fund of each of the units located in the political subdivision in the same proportion that the assessed valuation of the unit bears to the total assessed valuation of the political subdivision.

(c) Whenever an unused and unencumbered balance remains in the civil township fund of a township and a current tax levy for the fund is not needed, the township fiscal body may order any part of the balance of that fund transferred to the debt service fund of the school corporation located in or partly in the township. However, if more than one (1) school corporation is located in or partly in the township, then any sum transferred shall be transferred to the debt service fund of each of those school corporations in the same proportion that the part of the assessed valuation of the school corporation in the township bears to the total assessed valuation of the township. . .

(f) Transfers to a political subdivision's rainy day fund may be made at any time during the political subdivision's fiscal year."

**BURIAL OF PATIENTS OF STATE PSYCHIATRIC INSTITUTIONS**

A question is sometimes presented as to the responsibility for burial of deceased patients of state hospitals. Official Opinion 82 of the Attorney General of Indiana, dated August 12, 1946, provided a list of four (4) procedures to be followed. IC 12-20-16-12 now states in part "(a) This section does not apply if the county coroner assumes jurisdiction of an unclaimed body under IC 36-2-14-16. (b) if: (1) An individual dies in a township without leaving: (A) money; (B) real or personal property; (C) other assets that may be liquidated; or (D) other means necessary to defray funeral expenses; and (2) the individual is not a resident of another township in Indiana; the township trustee, as administrator of township assistance, shall provide a person to superintend and authorize either the funeral and burial or cremation of the deceased individual. If the township trustee determines that the deceased individual is a resident of another township in Indiana, the township trustee shall notify the trustee of that township, who shall then provide a person to superintend and authorize either the funeral and burial or cremation of the deceased individual.

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**BURIAL OF PATIENTS OF STATE PSYCHIATRIC INSTITUTIONS**

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. . . (d) If an individual described in subsection (b) is a resident of state institution at the time of the individual's death, the division that has administrative control of the state institution shall reimburse the township trustee for the necessary and reasonable expenses of the funeral and burial or cremation of the deceased individual. The Township trustee shall submit to the division that has administrative control of the state institution an itemized claim for reimbursement of the necessary and reasonable funeral and burial or cremation expenses incurred by the township trustee.

(e) If an individual described in subsection (b) is a resident of a special institution governed by IC 16-33 at the time of the individual's death, the state department of health shall reimburse the township trustee for the necessary and reasonable expenses of the funeral and burial or cremation of the deceased individual. The township trustee shall submit to the state department of health an itemized claim for reimbursement of the necessary and reasonable funeral and burial or cremation expenses incurred by the township trustee. . . "